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August 18, 2000

Ms. Beth Hayden  
Agricultural Marketing Specialist, NOP  
USDA/AMS/TM/NOP, Room 2510-So.  
Ag Stop 0268  
P.O. Box 96456  
Washington, D.C. 20090

Dear Ms. Hayden:

Q.A.I. Inc. (QAI) is pleased to have this opportunity to respond to the National Organic Program (NOP) Provision of Reasonable Security which appeared in the Federal Register on August 9, 2000.

After reading your "proposed Rule" on the above referenced subject several times, we remain unclear as to what exactly it is that the NOP is seeking. Therefore, QAI is responding with a description of what it has been doing, and is in the process of implementing, in order to address normal business liability conditions (as well as what we perceive to be your issue, as referenced above).

1. For several years, QAI has maintained an Errors & Omissions insurance policy through the insurance firm of Gales Creek Insurance (contact: Jeff Lang; 503-227-0491). I am sure that the above referenced firm can discuss the details of this coverage with you in more detail.
2. Furthermore, QAI is in the process of expanding its general liability insurance coverage to include all of its offices – both domestic and foreign. Again, I would refer to the above.

In summary, QAI, as a business, feels that it has adequately fulfilled the need to provide "security" to its clients; and, furthermore, QAI stands behind its business integrity to protect its clients – to the extent that they are deserving.

If you should have any questions, please don't hesitate to contact Ms. Eilen Geddings at our corporate offices.

Sincerely yours,

Griffith W. McLellan  
President